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UNITED NATIONS DEVELOPMENT PROGRAMME

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THAILAND

IPF:(1987-91) $ 29 000 000

(THA/90/014)- Social Security Implementation and Development

Date of approval by the AC:[1/]	17 April 1991
Expected duration:	Two Years
Proposed executing agency:	ILO
Government implementing agency:	Social Security Office (SSO) Ministry of Interior
Proposed UNDP contribution:	$ 1 309 600 Source of funds: IPF
Total UNDP budget:	$ 1 309 600

Project background

Thailand, although long experiencing the phenomena of rapid industrialization and urbanization, has not introduced social security measures, such as health insurance, which are widely recognized as key elements in the vital processes both of building up a stable and productive workforce and of evolving effective industrial relations policies. Apart from a social insurance scheme for employment injuries covering 1.6m workers in establishment with 20 or more on the payroll, the private sector employees lack adequate social security protection and have to fall back on occasional collective agreements and enterprise level benefits. This is essentially inefficient use of resources, and not effective in filling the gaps left by the decline of the traditional extended family and other systems of mutual support: It is therefore now accepted that social insurance principles should be adopted to pool the risks and finances across the labour force as a whole, and to exploit the social insurance mechanism in support of social and economic development in the country.

In July 1990, a Social Security Bill was approved by the Parliament. This legislation, which has attracted wide public attention and support, comes into effect immediately and the Government wishes to meet the demands for the rapid implementation of the first phase of social security development from early 1991. A new organization, the Social Security Office (SSO), has been set up with the Ministry of Interior to undertake the large-scale operations required for contributory social insurance involving the collection of monthly earnings related contributions from employers and workers, the maintenance of individual insurance records, the processing of claims to cash benefits, and the organization of a system of medical care.

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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The Royal Thai Government has received technical assistance from UNDP/ILO for the planning stage of social security implementation under the project (THA/89/013). Planning of Social Security Implementation. During the planning stage, necessary technical plans and proposal covering subsidiary legislation, contributions, benefits, administration, and strategies for computerization have been formulated. The full implementation of the Social Security Scheme will commence shortly. In view that there is insufficient experience in the Social Security Office both of the social security concepts and principles and of the modern techniques on social insurance administration, UNDP assistance is sought to assist the SSO in the implementation of the Social Security Scheme.

Description of project

The essential objectives of the project are to progressively build up the institutional capacity of the newly established Social Security Office, so that it will be able to effectively implement the first phase of the Social Security Scheme. This should be followed by an upgrading process embracing both the introduction of more sophisticated and streamlined methods of management and administration, including progressive computerization and cost containment in the medical care filed, thus increasing the feasibility of expansion and improvement in the social security system itself.

The project will assist the Social Security Office in three main areas: (1) establishment of the institutional structures, administrative systems and human resources capacities; (2) computerization of the main administrative functions and building up the technical capability of the Social Security Office through trainings to maintain and extend the computer system; and (3) formulation of strategies and methods for the improvement and development of the system of social security protection.

Inputs

UNDP will provide a project co-ordinator-cum-expert in social insurance administration 24 work-months, 12 work-months of expert in social security computerization, 10 work-months of an expert in organization of health insurance, 6 work-months of an expert in computer hardware and systems software, 14 work-months of other short-term consultants; 10 work-months of national consultants on database development, six work-months in computer system software, six work-months in network communications, eight work-months for consultants on medical benefits, eight work-months for consultants on staff training; 20 short-term fellowships for officials of the SSO to visit countries in the Asian region to learn about the administration and organization of social security scheme; in-service training through seminars, workshops and training courses; non-expendable office equipment namely project vehicle, micro-computer, photo copier, and audio-visual equipment.

Financial data

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Personnel	1 002 400
Training	254 400
Equipment	35 000
Miscellaneous	17 800
Total	1 309 600

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